



December 15, 1997

**VIA UNITED PARCEL SERVICE**

Cynthia L. Johnson, Director  
Cash Management Policy and  
Planing Division  
Financial Management Service  
U.S. Department of the Treasury  
Room 420  
401 14th Street, S.W.  
Washington, D.C. 20227

RE: Management of Federal Agency Disbursements; Proposed Rule

BANC ONE CORPORATION ("BANC ONE") appreciates the opportunity to comment on the Treasury Department's above referenced proposal (the "Proposal"). BANC ONE is a multi-bank holding company headquartered in Columbus, Ohio, with over branches and offices located in Arizona, Colorado, Illinois, Indiana, Kentucky, Louisiana, Ohio, Oklahoma, Texas, Utah, West Virginia and Wisconsin. BANC ONE also operates numerous non-bank subsidiaries that engage in credit card and merchant processing, consumer finance, mortgage banking, insurance, trust and investment management, brokerage, investment and merchant banking, venture capital, equipment leasing and data processing.

**Authorized Payment Agent (§208.2(b))**

The Proposal asks for specific comments on the definition of "Authorized Payment Agent." The selection and approval of the Authorized Payment Agent needs to be in a format that is readily understood by financial institutions. The form for such approval should be provided by the U.S. Treasury and should be a standard form nationwide. The accurate completion of the form should be the responsibility of the beneficiary and the authorized agent. The acceptance of the form in good faith by a financial institution should be a defense to any subsequent claims that the agent was not properly authorized.

Cynthia L. Johnson, Director  
December 15, 1997  
Page 2

**Federally Insured Financial Institutions (§208.5)**

The Proposal requests specific comments on whether the accounts into which the benefits will be deposited need to be federally insured. We believe such a requirement should be mandatory. This will not only assure the safety of the deposited funds, but will involve a depository that is already government regulated.

**Account Requirements (§208.6)**

The Proposal requests specific comments on the types of accounts that should be provided for the receipt of the federal disbursements. Since the disbursements could be for both the personal and organizational level, it is important to distinguish the attributes of the account based upon the type of account holder. For example, an organization will normally not require the use of a debit card, but could require a wire transfer service. We don't believe that any specific pricing or services should be mandated by the regulation. The marketplace should drive these decisions. Also, we do not believe the regulation should be construed as giving the organization or the individual an absolute "right" to have a bank account. Further, all services may not be made immediately available to all new accounts. For example, a debit card may be made available at the ATM level only. Some services may be provided after the account has been in good standing for six months or a year and other services may be rescinded if abused. In the event a financial institution sustains a loss on the account, whether related to the payment of government disbursements or not, the financial institution may have a right to close the account with or without notice depending on the reason for the loss.

Thank you for the opportunity to comment on this matter. If you have any questions concerning these comments, please contact Robert Bruns at (602) 221-2211.

Very truly yours,

A handwritten signature in black ink, appearing to be "SAB" followed by a stylized flourish.

Steven Alan Bennett  
Senior Vice President and  
General Counsel